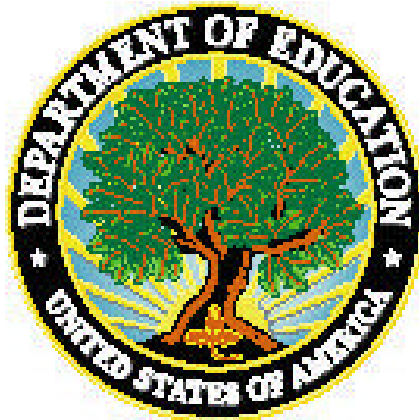


SFA Modernization Partner Project LEGACY CONTRACT TRANSITION PLAN

Federal Family Education Loans (FFEL)



Part 2 Product and Services Release Plan Initiatives Affecting FFEL

Source Selection Information – See FAR 3.104

Common Aid Origination and Funds Disbursement

Description:

Create a common business process and system for aid origination and disbursement for Pell grants, campus-based, and direct loans. Provide the ability to originate and disburse all types of financial aid through a single delivery system.

Benefits/Outcome:

- Standardized, common database and single, integrated complete student record
- Easier maintenance because of combining RFMS, LO and CBS into one system
- Ability to incorporate additional interfaces more expeditiously
- Reduced risk of data corruption by only supporting standard interface rules
- Improved customer service because of a single system

Business Objectives:

To increase customer satisfaction, reduce costs, and increase employee satisfaction by investigating and agreeing on standard criteria, which may be used by all third parties in interfacing with SFA systems.

Timetable:

Requirements Analysis and Design is planned for January 2000 through June 2000. Management Decision Required to Continue is schedule for June 30, 2000. Development and Implementation of the system is scheduled for July 2000 through June 2002.

Affects on FFEL:

Since FFEL is a major interface with the DLO, DLS and other SFA systems regarding loan servicing, this initiative will have a major impact on FFEL.

Financial Partners Process Reengineering

Description:

Design and implement improvements to the core business processes within the Financial Partners channel. The core processes that will be reviewed include GA/Lender Payment; oversight and technical assistance; policy and analysis; and contract management.

Source Selection Information – See FAR 3.104

Source Selection Information – See FAR 3.104

Benefits/Outcome :

- Financial Partners will be able to obtain information and communicate with SFA more quickly through a self-service internet environment
- Electronic reporting will reduce paperwork
- Faster reporting will allow quicker payments to institutions
- Reduced reconciliation time because guaranty agency and lender reviews will be based on shared data
- Students will be linked to online providers and SFA information

Business Objectives:

To reduce costs and improve customer and employee satisfaction by allowing SFA and its financial partners to take advantage of commercially available systems and services. These will be used to create common business rules for origination and disbursement, share loan portfolio and individual borrower records status information, automatically create deferments as borrowers transfer among schools, and implement electronic signature technology to eliminate paper processing of critical financial aid forms.

Timetable:

Requirements Analysis and Design is planned for March 2000 through July 2000. Management Decision Required to Continue is schedule for July 31, 2000. Development and Implementation of the system is scheduled for August 2000 through January 2001.

Affects on FFEL:

Since FFEL provides a major interface between borrowers, schools, lenders, guaranty agencies, collection agencies, other Government agencies, and private sector entities with SFA programs, the implementation of this initiative will have a major impact on FFEL

External Partners Process Reengineering

Description:

Design and implement innovative solutions to the business processes that impact financial partners (Gas, lenders, state agencies, etc.). This initiative's projects include: Enhanced Partner Relationship Management, Voluntary Flexible Agreements, Regulatory Process Improvements, Default Reduction Incentives, and Enhanced Monitoring of Financial Partners.

Benefits/Outcome :

- Facilitate faster partner participation by efficiently and accurately executing eligibility processes

Source Selection Information – See FAR 3.104

Source Selection Information – See FAR 3.104

- Reduce program costs and ensure continual compliance with statutory participation requirements by identifying and discontinuing ineligible financial partners

Business Objectives:

Improve monitoring capabilities and strategic relationships with GAs, lenders, and partners. Improve performance reporting within the Title IV loan process. Enhance SFA's ability by which existing and new regulatory/legislative mandates are tracked, communicated, and implemented within the Financial Partners channel.

Timetable:

<u>Project</u>	<u>Analysis & Design</u>	<u>Decision Date</u>	<u>Develop. & Implem.</u>
Enhanced Partner Relationship Mgmt	May - Sep 00	Sep 31, 00	Oct 00 - May 01
Voluntary Flexible Agreements	Jan - Sep 00	Sep 31, 00	Oct 00 - Aug 01
Regulatory Process Improvements	Apr - Jul 00	Jul 31, 00	Aug 00 - Jan 01
Default Reduction Incentives.	Apr - Sep 00	Sep 31, 00	Oct 00 - Apr 01
Enhanced Monitoring	Mar - Aug 00	Aug 31, 00	Sep 00 - Jul 01

Affects on FFEL:

Since FFEL provides a major interface between borrowers, schools, lenders, guaranty agencies, collection agencies, other Government agencies, and private sector entities with SFA programs, the implementation of this initiative will have a major impact on FFEL

Enabling Technology for Financial Partners

Description:

Analyze, design, and implement a new technical environment for the Financial Partners channel that will be in compliance with SFA's enterprise-wide architecture. This initiative's projects include: Web Portals for Financial Partners, Common Third Party Interfacing (Integration Application Services), Document/Workflow Management, and Data Warehouse for Financial Partners.

Benefits/Outcome:

- Facilitate faster partner participation by efficiently and accurately executing eligibility processes
- Reduce program costs and ensure continual compliance with statutory participation requirements by identifying and discontinuing ineligible financial partners

Source Selection Information – See FAR 3.104

Source Selection Information – See FAR 3.104

Business Objectives:

Improve efficiency and effectiveness to improve customer and employee satisfaction and reduce costs by implementing a new technical environment for the financial partners that aligns them with SFA's enterprise-wide architecture. The goals are to gather web portal business requirements, simplifying the data exchange model for interfaces to improve dealing with external parties, and to eliminate unnecessary paper-based functions for the financial partner channel.

Timetable:

<u>Project</u>	<u>Analysis & Design</u>	<u>Decision Date</u>	<u>Develop. & Implem.</u>
Web Portals	Jan - Mar 00	Mar 31, 01	Apr - Jun 01
Common Third Party	Jun - Aug 00	Aug 31, 00	Sep 00 - Feb 01
Doc/Workflow Management	Mar - Jul 00	Jul 31, 00	Jun - Jun 01
Data Warehouse	Apr - Jul 00	Jul 31, 00	Aug 00 - Mar 01

Affects on FFEL:

Since FFEL provides a major interface between borrowers, schools, lenders, guaranty agencies, collection agencies, other Government agencies, and private sector entities with SFA programs, the implementation of this initiative will have a major impact on FFEL

Enhanced Service Delivery for Financial Partners

Description:

Various projects to improve the exchange of information with financial partners. They include expanding FAFSA to trading partners' web sites and Others, piloting Electronic Certification (NY Mentor PIN), and E-Commerce Data Exchange (Forms2000).

Benefits/Outcome:

- Facilitate faster partner participation by efficiently and accurately executing eligibility processes
- Reduce program costs and ensure continual compliance with statutory participation requirements by identifying and discontinuing ineligible financial partners

Business Objectives:

Improve products and services for financial partners.

Source Selection Information – See FAR 3.104

Source Selection Information – See FAR 3.104

Timetable:

<u>Project</u>	<u>Analysis & Design</u>	<u>Decision Date</u>	<u>Develop. & Implem.</u>
Expand FSAS	Apr - Jun 00	Jun 30, 00	Oct - Dec 00
Pilot Electronic Certification	May - Jul 00	Jul 31, 00	Apr - Aug 01
E-Commerce (Forms2000)	NA	NA	Mar - Sep 00

Affects on FFEL:

Since FFEL provides a major interface between borrowers, schools, lenders, guaranty agencies, collection agencies, other Government agencies, and private sector entities with SFA programs, the implementation of this initiative will have a major impact on FFEL

Cross Channel Enabling Technology/Infrastructure - Advanced Call Center Relationship Management

Description:

This initiative is designed to improve customer satisfaction by proactively seeking customers' input, and "reaching out" to train and assist them with all SFA-related concerns. This initiative includes the consolidation of multiple call center capabilities to provide "one-call-does-it-all" functionality for customers.

Benefits/Outcome:

- Single (800) number access
- Enhanced Customer Service
- Possibility of reduced costs associated with economies of scale
- Additional volume resulting from increased efficiency

Business Objectives:

To provide a single Customer Service point of contact for all SFA customers/borrowers.

Timetable:

Requirements Analysis and Design is planned for February 2000 through May 2000. Management Decision Required to Continue is scheduled for May 31, 2000. Development and Implementation of the system is scheduled for June 2000 through June 2001.

Affects on FFEL:

Since FFEL operates a Customer Service Call Center it will be effected by the implementation of this initiative.

Source Selection Information – See FAR 3.104

Source Selection Information – See FAR 3.104

Cross Channel Enabling Technology/Infrastructure - Web Portals

Description:

Design and implement capabilities, for all customers, to enable easier and more efficient data transfer through internet and/or other online interfaces.

Benefits/Outcome:

- Increased Customer Service
- Enhanced image of SFA through increased web presence
- Possible candidate for phased implementation allowing incremental realization of benefits
- Increased electronic volume

Business Objectives:

To standardize and increase SFA's presence on the web while facilitating enhanced electronic interfaces with all customers and partners. To increase SFA's electronic products/service offerings for all customers.

Timetable:

Requirements Analysis and Design is planned for February 2000 through May 2000. Management Decision Required to Continue is schedule for May 31, 2000. Development and Implementation of the system is scheduled for June 2000 through April 2001.

Affect on FFEL:

The Web Portals for Customers project will provide the web-enabled, customized view of FSA customer functions. This project will provide SFA's customers with a capability to create their own personal view into the information contained and supported by SFA, such a loan consolidation, school payments and loan origination. Data contained in FFEL is one of the sources of information that will be presented via the Internet Portal. Currently FFEL provides a number of services on the net.

Cross Channel Enabling Technology/Infrastructure - Single Identifier (PIN)

Description:

Design a uniform single identifying data element for each customer entity for each customer entity in SFA's system including students, schools and financial partners. Includes the use of PIN logic as a form of identification.

Source Selection Information – See FAR 3.104

Source Selection Information – See FAR 3.104

Benefits/Outcome:

- Enhanced customer service
- Enhanced reporting across all programs
- Provides a single point of interface for receiving student aid data and payment history for Federal loans

Business Objectives:

To develop a uniform means of identifying borrowers, schools and lenders across the various portfolios and systems sponsored by the Department of Education.

Timetable:

Requirements Analysis and Design is planned for September 2000 through January 2001. Management Decision Required to Continue is scheduled for January 31, 2000. Development and Implementation of the system is scheduled for February 2001 through September 2001.

Affects on FFEL:

The Single Identifier for Each Entity initiative will effect Enterprise Architecture for Integration and Data Warehousing. Since FFEL is accessible via the web by the customers of SFA, it will surely be effected by this initiative.

Financial Management Transformation - Financial Management System (FMS) Phase II (Pilots)

Description:

Phase II of the SFA FMS modernization effort is planning to implement three SFA business areas by installing and configuring the Oracle Federal Financials as the basis for SFA FMS. The purpose of Phase II is to prove the General Ledger setup of books and accounts and the account code classification structure in a quick timeframe. This will allow the SFA FMS design to be verified. Phase II of the SFA FMS is defined by three “pilots”: (1) Federal Family Education Loan Program (FFELP) Guaranteed Loan - Guaranty Agency (GA) Payments, (2) leveraging the Educational Assistance Partnership Programs (LEAPP), and (3) SFA Operations - Fixed Assets.

Benefits/Outcome:

- First production rollout of FMS
- Initial integrated solution for the selected program and processes
- Introduction to SFA FMS users to the selected program and processes

Source Selection Information – See FAR 3.104

Source Selection Information – See FAR 3.104

- Initial SFA FMS proof of concept

Business Objectives:

The Pilots are intended to be a final, not interim, solution. The objective was to choose systems that affect a broad group of users, have visibility, and value as a “quick hit” implementation to prove the design concept for SFA FMS. Each pilot is a manageable size and includes isolated transactions so that final implementation can be achieved in the identified timeframe.

Timetable:

Requirements Analysis and Design is planned for April 2000 with a Management Decision Required to Continue scheduled for April 30, 2000. Development and Implementation of the system is scheduled for May 2000 through September 2000.

Affects on FFEL:

Since FFEL is a major interface with the lenders, GA's, Collection Agencies, as well as other Federal Agencies; this initiative will have a major impact on FFEL.